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Classified By: POLCOUNS Brian R. Naranjo. Reasons: 1.4 (b) and (d)

SUMMARY

¶1. (C) The February 14 and 15 disturbances, vandalism, and clashes with the police led by radical construction union SUNTRACS and efforts to respond to these outbursts largely pushed political activity off the public's radar scope. The Torrijos Administration, caught flat-footed by scope of the violence and wounded by its inept initial response, sought to regain the political initiative this week by pressing the media for more balanced coverage, suggesting that Venezuelan radicals had links with SUNTRACS, attempting to get some semblance of a dialogue process underway, and deploying police to key points around the city. Except for rather ritualistic criticisms of the violence, of the GOP's inability to provide adequate law and order, and some accusations that the police were using excessive force, opposition political leaders largely stood on the sidelines. The headlines for this edition of the Panama post are:

-- Democratic Change (CD) President and presidential candidate Martinelli works to form an alliance:
-- The governing Revolutionary Democratic Party (PRD) internal elections start to get messy;
-- Panamenista party presidential nomination candidate Alberto Vallarino exudes a quiet confidence while trouble may be brewing among his top advisors; and
-- Electoral Tribunal Magistrate Gerardo Solis notes that fifty percent of voters in May 2009 will be under the age of ¶35.

Martinelli Looks for Alliance Partners

¶2. (C) "I think I am close to an alliance deal with" Movement of Liberal Republic National (MOLIRENA) party President Sergio Gonzalez-Ruiz," Democratic Change (CD) President and presidential candidate Ricardo Martinelli told POLCOUNS on February 13. Martinelli said that the next step would be for both MOLIRENA and CD to name 4-man teams to finalize an alliance deal. "Sergio is desperate for money and for relevance," Martinelli asserted. Prior to Martinelli's arrival at dinner, Martinelli's campaign advisor Jimmy Papademetriou stated that Martinelli had funded Gisela Chung's campaign to be re-elected as president of MOLIRENA, something Papademetriou said he would deny if questioned

publicly. Chung lost to Gonzalez-Ruiz, but Chung had filed complaints with the Electoral Tribunal (TE) seeking a more equitable distribution of positions and resource, to which under party rules she believed she was entitled. Papademetriu explained that while on the one hand Martinelli could offer financial support and greater profile, on the other hand Martinelli could call off Chung's attacks on Gonzalez-Ruiz thereby enhancing his authority in the party. On February 14, Martinelli said he would sit down with Patriotic Union (UP) President Billy Ford to discuss forming an alliance. As of week's end, however, Ford had landed once again in the hospital and was undergoing tests.

¶3. (C) Comment: Martinelli is eager to form an alliance, perhaps out of fear of being isolated from the rest of the opposition. While his campaign advisor urges a go-slow approach to alliances, Martinelli appears to be following his own gut instincts. MOLIRENA is but a shadow of the stature that the party achieved during the final years of the Noriega regime and the restoration of democracy in Panama. Martinelli believes that locking down MOLIRENA as an alliance partner now could ease efforts to form an alliance with UP, undermine former President Guillermo Endara's Moral Vanguard of the Nation (VMP) party, and isolate the Panamenista party; we'll see. (Special note for our loyal readers: Martinelli went with low-top "chucks" (reftel).)

The PRD's Internal Elections Get "Messy"

¶4. (C) "Everything is very confused and messy," Panama City Councilman and candidate for the Fourth Sub-Secretary seat on the governing Revolutionary Democratic Party (PRD) National Executive Committee (CEN) Carlos Perez-Herrera told ECONOFF on February 19. Perez-Herrera himself is running against Torrijos' preferred candidate, current Minister of Education Belgis Castro. Separately, current PRD CEN Fifth Sub-Secretary Samuel Buitrago told the Panama Post that he had been asked by President Torrijos to step down in order to make room for Rodrigo "Rod" Diaz. "I got the message," Buitrago said, "but he (Torrijos) did not even have the pants (pantalones) to tell me directly that he wanted me out." Meanwhile at an event in Panama City's Curundu slum, First Lady Vivian Fernandez de Torrijos forbid protocol officers from seating Acting Minister of Housing Doris Zapata from being seated with other cabinet rank officials. Zapata, according to Perez-Herrera, was not even "permitted" to run for a seat on the party's second most important governing body, its National Directors Committee (CDN). Perceived as a support of National Assembly Deputy Hector Aleman, Zapata is viewed with great suspicion by the Fernandez and Torrijos. Perez-Herrera said that he was present when two PRD party delegates received calls from party Secretary General Martin Torrijos asking for the delegates' votes for specific candidates for the CDN. "If the delegates tell Torrijos, 'Well, let me think about it,' the next thing they know they get a call a few minutes later from a presidential staffer who reminds them that they have a niece, nephew, son, daughter or other relative working in such and such a position in the government," Perez Herrera explained.

¶5. (C) Both Buitrago and Perez-Herrera concurred that, given the current trends inside the party, the following were likely to win CEN seats:

- President: Minister of Housing Balbina Herrera ("She'll never be loyal to anybody," Buitrago said.);
- 1st VP: National Assembly Deputy Elias Castillo ("He is old and does not bring anything to the table," asserted Buitrago.);
- 2nd VP: Minister of Public Works Benjamin Colamarco; ("The new PRD generation does not care for him," according to Buitrago, "but there are many older members who are anti-U.S. who remember him as a 'batallonero' leading the Dignity Battalions.")
- SecGen: President Martin Torrijos ("Torrijos' wins in the congressillos were very weak. His people are winning

positions on the CDN by only 10 to 25 votes," Buitrago asserted. "He will not have a base for strong leadership, and people could switch loyalties easily.");

-- 1st Sub-Secretary: Panama City Juan Carlos Navarro ("Juan Carlos will continue to do his best to diminish Martin's power within the party," Buitrago said.)

-- 2nd Sub-Secretary: National Assembly Deputy Hector Aleman ("Torrijos' number one enemy within the party," Buitrago stated.);

-- 3rd Sub-Secretary: National Assembly President Pedro Miguel Gonzalez;

-- 4th Sub-Secretary: Panama City Councilman Carlos Perez-Herrera ("Carlos is seen as an independent who is not one of Torrijos' puppies," Buitrago said.);

-- 5th Sub-Secretary: Rodrigo "Rod" Diaz ("Rod will support Torrijos as long as his check book allows," a bitter Buitrago said of this wealthy, 32-year old businessman).

Both estimate that Aleman would defeat Torrijos preferred candidate, Mitchel Doens. Buitrago said that Perez-Herrera would likely defeat Torrijos preferred candidate, Minister of Education Belgis Castro.

¶6. (C) Comment: Perez-Herrera, Buitrago, and Zapata were all proud and zealous members of "Team Martin," the youth movement that helped secure the presidency for Torrijos. Torrijos' strong arm tactics and not so subtle tactics are leaving bruises and hurt egos in their wake. Both Perez-Herrera and Buitrago separately alleged that Torrijos was focusing "full time" on internal PRD politics, to the detriment of his presidential duties. "That's why (radical construction union) SUNTRACS took over the streets last week," Buitrago asserted, referring to nation wide rioting and vandalism by SUNTRACS works on February 14 and 15.

Vallarino Update

¶7. (C) Noting that he was not conducting any polling, Panamenista presidential nomination candidate Alberto Vallarino told POLCOUNS February 20, "They are useless for primaries, particularly in Panama." In contrast to what Vallarino's campaign advisor Jose Manuel Teran told the Panama Post on February 12, Vallarino asserted, "People who come to me seeking cash hand-outs tend to leave very unhappy. I am not an ATM." Vallarino volunteered that he had fired his original advertising agency since they could not turn around new ads and publicity materials quickly enough.

¶8. (C) Teran asserted that Vallarino was getting soaked by thankless Panamenista pols and wasting an inordinate amount of money to no political benefit. Teran also characterized party SecGen and National Assembly Deputy Francisco "Pancho" Aleman as an "incompetent campaign manager who only wants to be in every picture with Vallarino and to use Vallarino's money." Teran explained that Vallarino hoped to take effective control of the Panamenista Party at the party's directorate meeting in April. "I think Vallarino has the support of 40 percent of the directors. If we can take control in a commanding way, then we can make (party president and presidential nomination contender) Juan Carlos Varela party president in name only.

¶9. (C) Comment: Vallarino, though acknowledging dissatisfaction with his admen, seems oblivious to troubles in his campaign apparatus. Exceedingly confident, Vallarino underscored that he has four and a half months to lock up the nomination and exuded an air of inevitability regarding his eventual crowning, or rather primary victory. Vallarino also appears to be flying blind and placing an inordinate amount of faith in his ability to "top down" his nomination rather than working the grass roots of the party. Vallarino will have lunch with Ambassador on March 6; stay tuned.

Fifty Percent of Voters Will be Under 35

¶10. (C) "Fifty percent of voters in May 2009 will be under the age of 35," Electoral Tribunal Magistrate Gerardo Solis told POLCOUNS on February 19. Also, one fourth of voters will be voting for the first time. (Note: Panama only has elections once every five years, so even though the voting age is 18, newly eligible voters might not have their first opportunity to exercise their franchise until they reach age 23.)

¶11. (C) Comment: The "youth vote," which Panamanian politicians define as voters under 35, is largely uncharted territory for Panamanian political operatives. "Team Martin," the current president's youth campaign outreach effort, played an instrumental role in Torrijos' 2004 victory. Martinelli has launched "Generation of Change (Generacion de Cambio)," preferring not to paste his name on his outreach effort. Seeking to mine this unorganized mother lode of voters, Martinelli campaign advisor Jimmy Papademetriou made organizing "Generation of Change" his first order of business. To promote the effort, Martinelli will embark on a nationwide youth out-reach effort organized by a Panama City discotheque owner complete with reggaeton bands and pop singers. Other campaigns will likely follow suit and already have extensive youth out-reach programs in the works.
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